Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

- 1. (Currently Amended) A method of manufacturing electric machines, the method comprising:
- a.) kinetically spraying an admixture comprising a permanent magnet powder and a soft magnetic binder onto a first substrate to form permanent magnetic elements on the first substrate, the permanent magnetic material is different than the soft magnetic binder;
- b.) introducing persistent magnetization into the magnetic elements through application of concentrated magnetic fields of sufficient strength to cause magnetic dipole alignment in the deposited material; and
- c.) forming planarized coils onto a second substrate by said kinetic spraying process, the second substrate being electrically insulating and adjacent to the first substrate; and
- d.) assembling the first substrate coated with the permanent magnetic elements and the second substrate coated with the planarized coils into an electric machine.
- 2. (Original) The method of claim 1 wherein the planarized coils are adapted to develop an electric voltage in the presence of a magnetic field acting therefore as a generator.
- 3. (Original) The method of claim 1 wherein the electric machine is adapted to develop an electromagnetic torque through application of an electric current, thereby creating a motor.
- 4. (Original) The method of 1 wherein the permanent magnetic powder is selected from the group consisting of iron, nickel, cobalt, samarium-cobalt, AlNiCo, neodymium iron boron, and samarium iron nickel.

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5. (Original) The method of 1 wherein the soft magnetic binder is selected from the group consisting of iron, nickel, cobalt, and alloys of these materials.

- 6. (Original) The method of 1 wherein particles in the soft magnetic binder are individually coated with oxide films, organic films or polymeric films to provide a resistance to eddy current flow between adjacent particles and hence reduce core loss in presence of varying magnetic field.
- 7. (Original) The method of 1 wherein the planarized coils comprise a component selected from the group consisting of copper and its alloys, aluminum and its alloys, silver, and gold.
- 8. (Original) The method of 1 wherein the first substrate is a soft magnetic material whose function is to internally direct magnet flux, thereby producing a controlled magnetic flux pattern emanating from a free surface of the applied admixture.
- 9. (Original) The method of 1 wherein the second substrate is an electrically and magnetically insulating material.
- 10. (Original) The method of 1 wherein the second substrate consists of a soft magnetic material insulated from the coil by a film of electrically insulating material.
 - 11. (Original) An electric machine made by the method of claim 1.
- 12. (Currently Amended) A method of manufacturing electric machines, the method comprising:
- a.) kinetically spraying admixture of permanent magnet powders in a ductile, soft magnetic or non-magnetic matrix onto a first substrate to form permanent magnetic elements on the first substrate;
 - b.) introducing persistent magnetization into the magnetic elements through

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application of concentrated magnetic fields of sufficient strength to cause magnetic dipole alignment in the deposited material; and

- c.) placing one or more coils adjacent to the first substrate so that an electric machine is assembled, the first substrate coated with the permanent magnetic elements formed in step a).
- 13. (Original) The method of claim 12 wherein the one or more coils are adapted to develop an electric voltage in the presence of a magnetic field acting therefore as a generator.
- 14. (Original) The method of claim 12 wherein the electric a machine is adapted to develop an electromagnetic torque through application of an electric current, thereby creating a motor.
- 15. (Original) The method of 12 wherein the permanent magnetic powder is selected from the group consisting of iron, nickel, cobalt, samarium-cobalt, AlNiCo, neodymium iron boron, and samarium iron nickel.
- 16. (Original) The method of 12 wherein the soft magnetic binder is selected from the group consisting of iron, nickel, cobalt, and alloys of these materials.
- 17. (Original) The method of 12 wherein the soft non-magnetic binder comprises copper.
- 18. (Original) The method of 12 wherein particles in the soft magnetic binder are individually coated with oxide films, organic films or polymeric films to provide a resistance to eddy current flow between adjacent particles and hence reduce core loss in presence of varying magnetic field.
 - 19. (Original) The method of 12 wherein the first substrate is a soft

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magnetic material whose function is to internally direct magnet flux, thereby producing a controlled magnetic flux pattern emanating from a free surface of the applied admixture.

- 20. (Original) An electric machine made by the method of claim 12.
- 21. (Currently Amended) A method of manufacturing electric machines, the method comprising:
- a.) kinetically spraying an admixture comprising a permanent magnet powder and a soft magnetic binder onto a first substrate to form a first electric machine component comprising permanent magnetic elements on the first substrate, the permanent magnetic material is different than the soft magnetic binder;
- b.) introducing persistent magnetization into the magnetic elements through application of concentrated magnetic fields of sufficient strength to cause magnetic dipole alignment in the deposited material;
- c.) kinetically spraying a powder of iron, nickel, cobalt or alloy thereof to form a second electric machine component; and
- d.) forming planarized coils on a second substrate by a kinetic spraying process, the second substrate being electrically insulating and adjacent to the first substrate; and
- e.) assembling the first substrate coated with the permanent magnetic elements and the second substrate coated with the planarized coils into an electric machine.
- 22. (Original) The method of claim 21 wherein the planarized coils are adapted to develop an electric voltage in the presence of a magnetic field acting therefore as a generator.
- 23. (Original) The method of claim 21 wherein the electric machine is adapted to develop an electromagnetic torque through application of an electric current, thereby creating a motor.

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24. (Original) The method of 21 wherein the permanent magnetic powder is selected from the group consisting of iron, nickel, cobalt, samarium-cobalt, AlNiCo, neodymium iron boron, and samarium iron nickel.

- 25. (Original) The method of 21 wherein the soft magnetic binder is selected from the group consisting of iron, nickel, cobalt, and alloys of these materials.
- 26. (Original) The method of 21 wherein the planarized coils comprise a component selected from the groups consisting of copper and its alloys, aluminum and its alloys, silver, and gold.
 - 27. (Original) An electric machine made by the method of claim 21.